

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7389

BILL NUMBER: HB 1439

NOTE PREPARED: Feb 21, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Volunteer Fire Department Fees.

FIRST AUTHOR: Rep. Borders

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Fire Chief Review of Bill:* This bill provides that a bill for a service charge by a volunteer fire department must contain: (1) verification that the bill has been approved by the chief of the volunteer fire department; and (2) language indicating that correspondence from the person being billed regarding the bill should be directed to the department. It provides that all bills sent by an agent of a volunteer fire department must be approved by the chief of the volunteer fire department before it is sent to the person being billed for services. It provides that the chief of the volunteer fire department must review a bill before authorizing an agent to proceed with collection efforts for that bill.

Fee Limits: The bill limits the total administrative fees charged by an agent of a volunteer fire department to 10% of the bill that the agent is processing.

Penalty: The bill provides that an agent that: (1) charges administrative fees that exceed 10% of a bill; (2) charges an unauthorized or excessive fee for volunteer fire department services; or (3) fails to send volunteer fire department bills to appropriate parties; commits a Class C misdemeanor.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Fire Chief Review of Bill:* This provision directs the chief of a volunteer fire department to review and approve all bills for services rendered by the fire department. This also includes bills sent by a collection agent acting on behalf of the fire department. The bill, itself, must

contain a statement that the property owner should contact the fire department if the property owner wishes to discuss the bill. If bills are generated by a billing software system, this could result in a one-time cost in reprogramming the software.

Explanation of Local Revenues: *Fee Limit:* Under current law, the maximum fee a volunteer fire department may charge for the services it provides is set by the State Fire Marshal. The fire department may use an agent to collect fees with the customer paying a service charge. This provision sets the maximum service charge at 10 percent of the bill.

Penalty: Under this provision, an agent who overcharges a customer or fails to send bills to customers commits a Class C misdemeanor punishable by up to sixty days confinement and up to a \$500 fine.

State Agencies Affected:

Local Agencies Affected: Volunteer Fire Departments.

Information Sources:

Fiscal Analyst: David Lusan, 317-232-9592.